

Message Text

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UNCLAS SAN JOSE 3947

E.O. 11652: N/A

TAGS: BDIS, CS

SUBJECT: TRADE COMPLAINT: COMPEX CENTROAMERICANA, S.A.
VS. THE WARNER & SWASEY COMPANY

REF: 10 FAM 333.1

1. COMPEX CENTROAMERICANA, S.A. APARTADO 2755, SAN JOSE, COSTA RICA PURCHASED TWO KNITTING MACHINES (WHIRLWIND TWISTER MODELS M-3705) FOR APPROXIMATELY 27,000 DOLLARS EACH FROM CONSOLIDATED INTERNATIONAL CORP., P. O. BOX 464, WICKFORD, RHODE ISLAND 02852. MACHINES, WHICH WERE MANUFACTURED BY WARNER & SWASEY CO., P.O. DRAWER 815, BESSEMER CITY, NORTH CAROLINA 28016, WERE DELIVERED IN MARCH AND MAY, 1976. COMPEX PURCHASED THE MACHINES ON THE UNDERSTANDING THEY WOULD OPERATE WITH POLY-PROPYLENE TYPE. COMPEX CLAIMS THAT THE FIRST MACHINE HAS NEVER OPERATED AT THE STATED PRODUCTION RATE AND SUFFERS FROM FREQUENT BREAKDOWNS.

2. TECHNICIANS FROM WARNER AND SWASEY MADE SERVICE CALLS TO COMPEX IN MAY AND JUNE IN AN EFFORT TO RECTIFY THE PROBLEM. IN ADDITION, TECHNICIANS FROM COMPEX VISITED WARNER AND SWASEY IN JULY AND SUBSEQUENTLY A COMPANY IN ALABAMA WHICH HAD THE SAME MACHINE. ACCORDING TO COMPEX THE ALABAMA COMPANY WAS NOT ABLE TO MAKE THE MACHINE FUNCTION ADEQUATELY WITH POLYPROPYLENE TAPE. THIS, PLUS ITS OWN EXPERIENCE, LEADS COMPEX TO CONCLUDE THAT THE MACHINES CANNOT OPERATE ADEQUATELY USING POLYPROPYLENE TAPE.

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3. AS A RESULT OF THE VISIT TO WARNER & SWASEY JULY 2, A SERIES

OF CORRECTIVE MEASURES WERE APPARENTLY AGREED TO AND MR. BARRON OF WARNER & SWASEY WAS TO COME TO SAN JOSE PROMPTLY TO PUT THE FIRST MACHINE IN SATISFACTORY OPERATION. AUGUST 10 COMPEX RECEIVED A TELEX FROM WARNER & SWUQEY STATING BARRON'S TRIP HAD BEEN DELAYED.

4. PABLO MARINO, PRESIDENT OF COMPEX, INFORMED EMBASSY'S COMMERCIAL ATTACHE THAT HE HAD CABLED WARNER & SWASEY AND CONSOLIDATED INTERNATIONAL AUGUST 11 ADVISING THAT IF THE FIRST MACHINE WAS NOT PUT IN SATISFACTORY OPERATION BY AUGUST 30 HE WOULD FORMALLY REQUEST THAT WARNER & SWASEY/CONSOLIDATED ACCEPT THE RETURN OF BOTH MACHINES AND REFUND THE PURCHASE PRICE.

5. PERSONS FAMILIAR WITH THIS CASE AT WARNER & SWASEY ARE MMR Y BALSOM AND SANFORD BARRON AT CONSOLIDATED, P. HUNTLEY-ROBERTSON AND TOM PRUNK.

6. RECOMMEND COMMERCE ADVISE BOTH WARNER & SWASEY AND CONSOLIDATED OF COMPEX'S POSITION AND URGE THEM TO COMMUNICATE WITH COMPEX RE THEIR INTENTIONS.

7. DOCUMENTATION BEING AIR-POUCHED.
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